

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0537P
Adjusted Gross Income Tax
Calendar Years Ending 12/31/92, 12/31/93, 12/31/94, 12/31/95, 12/31/96

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. **Tax Administration** – Failure to File Penalty

Authority: IC 6-8.1-10-2.1; 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer performs construction contracts and sells metal building materials in its home state and Indiana. The taxpayer did not file income tax returns in Indiana since the start of business in 1992. It has established a taxable nexus in Indiana by performing construction contracts but failed to file income tax returns. In a letter dated March 25, 1998 the taxpayer protested penalties because it was unaware of state filing requirements.

I. **Tax Administration** - Penalty

DISCUSSION

Taxpayer was assessed a civil penalty for failure to file corporate income tax returns in Indiana since the start of business operations in 1992. Under Indiana Code 6-8.1-1-2.1, the taxpayer is subject to a penalty of \$10 for each day a return is past due, up to a maximum of \$250.00 for each return. Taxpayer relied on their accountant to handle all income tax filings.

Taxpayer's argument states that it was unaware of filing requirements and they have had three different accountants to handle their Federal and Kentucky returns since opening its business. No mention was ever made regarding the filing requirements in Indiana. It has taken all steps necessary to be licensed to do business in Indiana and has already attended a couple of tax workshops. It therefore requests that the department waive its penalties.

02980537P.LOF

PAGE #2

It is a taxpayer's responsibility to make itself aware of tax laws in states where it does business.
Taxpayer was negligent in failing to do so.

FINDING

Taxpayer's protest is denied.